only 86 bags of sub-standard rice by submitting a loss assessment statement for only Rs. 4105.60. Subsequently on a joint inspection and analysis of the stocks in question, it was revealed that sub-standard stocks had been received at Cooch Behar on 7.8.2001 against special No. 119 despatched Ex-Beas (out of Dhilwan stocks) on 26.1.2001. The consignee on the basis of this joint sampling/ analysis results, submitted a revised Loss Assessment Statement amounting to Rs. 20,48,353.31.

(d) On the basis of findings of the investigation report, major penalty proceedings were initiated against the then District Manager, Kapurthala and after completing the inquiry proceedings the penalty of dismissal was imposed on him.

Major penalty proceedings have also been initiated against 2 Category-I and 19 Category-II/III officers/officials in both Punjab and West Bengal Regions. The case has also been handed over to CBI for investigation.

**Decentralization of foodgrains procurement and storage**

1235. SHRI RAJNATH SINGH 'SURYA':
SHRI C.M. IBRAHIM:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether at a meeting of the State Chief Minister and Food Minister the question of decentralization of foodgrains procurement and storage was discussed;

(b) if so, whether most of the State Governments opposed the move on the ground of inadequacy of funds and on the ground that minimum support prices of foodgrains were fixed by the Centre; and

(c) what was the outcome of the discussions and the likely saving in the Food Corporation Bill as a result thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHRIRAM CHAUHAN): (a) and (b) The issue of decentralised procurement of foodgrains was discussed in the

Chief Ministers Conference on 21.5.2001 and in the meeting of the Standing Committee of Union Ministers and Chief Ministers on Food Management and Agriculture Exports on 6.7.2001. The States of Andhra Pradesh, Haryana, Kerala, Maharashtra, Orissa, Punjab, Rajasthan, J&K, Bihar, Arunachal Pradesh, Manipur, Gujarat and Assam expressed their inability to adopt the scheme of decentralised procurement due to various reasons such as lack of funds, infrastructure, trained manpower etc. The States of Karnataka, Goa, Himachal Pradesh and Chhattisgarh felt that the scheme could be adopted after suitable modalities are worked out.

(c) In the meeting of the Standing Committee of Union Ministers and Chief Ministers on Food Management and Agriculture Exports held on 6.7.2001, it was clarified that the scheme would not be imposed on any State Government. It was decided that further consultation would be held with the State Governments and sharing of grains under the scheme will be considered with those States which agree to adopt the scheme. The savings would depend upon the difference between the economic cost of FCI and the State Government which adopts the scheme of decentralised procurement of foodgrains.

**Corporatisation of Ordnance Factories**

1236. SHRI PREM CHAND GUPTA: Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that Government are planning to corporatise 39 Ordnance Factories in the country by restructuring and synergising their activities to ensure their profitability;

(b) whether this step is being resisted by the employees; and

(c) if so, Government's plans in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI KRISHNAMRAJU): (a) to (c) Recommendations with regard to corporatisation of Ordnance Factories have been made in the past, but there is no such proposal under consideration of Government at present. Government's position in this regard has been explained to workers' representatives.